



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	Hawaii Organic Farmers Association (HOFA)
Est. Number:	N/A
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Auditor(s):	Steve Ross
Program:	USDA National Organic Program (NOP)
Audit Date(s):	August 13, 2007
Audit Identifier:	NP7033DDE
Action Required:	Yes
Audit Type:	Corrective Action Audit
Audit Objective:	To verify that corrective actions adequately address the non-compliances identified during the Surveillance-Accreditation Renewal Audit.
Audit Criteria:	7 CFR Part 205, National Organic Program, Final Rule, dated December 21, 2000; updated September 11, 2006
Audit Scope:	Submitted corrective actions
Location(s) Audited:	Desk

HOFA submitted corrective actions to the NOP on July 5, 2007 and were subsequently submitted to the auditor of record on July 13, 2007. The submitted corrective actions included:

- Letter detailing corrective actions;
- Board of Directors resolutions for changing the certification procedure;
- Evaluation Form Cover Sheet;
- Evaluation Form used by Certification Committee;
- Performance Evaluation form;
- Slaughter Addendum to OSP;
- Revised OSP for Livestock; and
- Revised Application.



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FINDINGS

The corrective actions submitted adequately addressed six (6) of the eight (8) non-compliances identified during the onsite audit. One non-compliance was withdrawn and one non-compliance was not adequately addressed and remains outstanding until additional corrective or supporting information is submitted.

NP7033DDE.NC1 – Adequately Addressed - NOP §205.501(a)(5) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.” *HOFA uses a certification committee to review the inspection reports and OSP and make the certification decision. One certification committee member reviewing the livestock inspection reports and OSP’s did not have expertise in livestock. The member had experience but no education or training could be found to show expertise.* **Corrective Action:** The inspections and decisions were made by qualified individuals but the certification committee member who reviewed and made the recommendation to the Certification Coordinator was not. HOFA submitted the Board of Directors resolutions to change the procedures on who makes the certification decisions as currently practiced. The Certification Coordinator made the final decision on the livestock certification and this is now reflected in the procedures and duties of the Certification Coordinator.

NP7033DDE.NC2 – Adequately Addressed - NOP §205.504(b)(1) states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information to demonstrate its expertise in organic production or handling techniques; its ability to fully comply with and implement the organic certification program established in...: A copy of the procedures to be used to evaluate certification applicants, make certification decisions, and issue certification certificates.” *HOFA’s administrative procedures titled “Certification Committee Procedures” Step 12 “Determination on Certification Request” requires that 2 members of the evaluation team review the inspection reports, OSP, and other information as supplied and then make an independent decision as to certify or certify with conditions. The evaluation forms are sent back to the Certification Coordinator to inform the client of the certification decision(s). If the 2 members arrive at different decisions then the certification coordinator is to have the 2 members discuss the findings (or lack of findings) and come to a consensus.*

- 1. It was found during the on-site audit that the two evaluators are making a recommendation(s) to the certification coordinator who then is making the final decision on certification.*
- 2. It was also found that if the two evaluators arrive at different conclusions (decisions) there is no record or documentation as to what the consensus decision was.*
- 3. The evaluation forms used by the evaluators for livestock operations do not contain any questions or information regarding livestock for the evaluators to address.*

Corrective Action: HOFA submitted the Board of Directors resolutions to change the procedures on who makes the certification decisions as currently practiced. The Certification Coordinator makes the final decision on certification and this is now reflected in the procedures and duties of the Certification Coordinator. The procedure change has eliminated the need for the two evaluators to arrive at a consensus decision. The Evaluation Form used by the Certification Committee has been revised to include questions on livestock to enable the Certification Coordinator to make decisions.



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NP7033DDE.NC3 – Adequately Addressed - NOP §205.642 states, "...The certifying agent shall provide each applicant with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification." *HOFA issues the clients a list of fees and then the client figures out the cost of certification and sends in the fees. HOFA is not issuing a cost estimate to the clients.* **Corrective Action:** HOFA fee schedule will be used to provide a cost estimate and HOFA will provide a cost estimate based on the applications received and reviewed.

NP7033DDE.NC4 – Adequately Addressed - NOP §205.501(a)(6) requires the certifying agent to conduct an annual performance evaluation of all persons who review applications and implement measures to correct any deficiencies in certification services. *HOFA has conducted performance evaluations on all required personnel. However, the evaluation record does not identify any NOP requirements, only that the person is providing services adequately. The evaluation is geared toward services and not job responsibilities.* **Corrective Action:** HOFA submitted a revised performance evaluation form that is based on NOP actions and responsibilities. The evaluation form will be used for all HOFA personnel and subcontracted personnel.

NP7033DDE.NC5 – Withdrawn - NOP §205.236, 237, 238, 239 - requires the origin of organic livestock, livestock feed, livestock health care, and livestock living conditions respectively. *HOFA has three apiary clients for the production of honey from the bees and hives. HOFA has an OSP that the apiary clients have to fill out and inspections are done on each client. It was found during a review of these client files that:*

- 1. The OSP or inspection report does not identify if the bees are managed organically from the second day of life;*
- 2. The bee hives (colonies) are located on wild crop land but the land was not certified organic;*
- 3. The client is feeding the bee's organic honey and brewers yeast during the off season to sustain life. The client or inspection was not verifying the brewers yeast as organic or made as required under NOP rules;*
- 4. The OSP or inspection did not determine if the colonies are moved from organic to non-organic fields; and*
- 5. The hives (boxes) are painted with latex paints.*

Reason for Withdrawal: HOFA responded in the corrective actions submitted that the NOP Rule does not address apiary production systems as of yet and the Rule does not offer guidance on apiary. HOFA had and has been following the NOSB Guidance for Apiary Production dated September 15, 2001, before the NOP Rule became effective for the production of honey. HOFA requested that until such time as the NOP Rule addresses apiary production that HOFA be allowed to follow the NOSB Guidance. A review by the auditor of the NOSB Guidance found that HOFA was requiring its clients to follow the Guidance and further discussions with NOP identified that this non-compliance should be withdrawn as long as HOFA clients follow the NOSB Guidance and HOFA certifies them using this Guide as a reference until such time as the NOP addresses the apiary production.



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NP7033DDE.NC6 – Adequately Addressed - NOP §205.201 (a)(1) requires the producer or handler of a production or handling operation to develop an organic production or handling system plan that is agreed to by the producer or handler and an accredited certifying agent. An OSP must include a description of practices and procedures to be performed and maintained.

- 1. The livestock OSP developed and used by the HOFA clients does not identify if animals are raised from the last third of gestation or does not identify water contamination from livestock. In addition, the inspection report does not address these requirements.*
- 2. The OSP used for renewal applications does identify the update on the correction or minor non-compliances previously identified by the certifying agent; it just requests the client to say yes or no to “have past non-conformances been corrected.”*

Corrective Action: HOFA submitted a revised OSP for livestock which now addresses livestock raising practices and requires the client to identify how the past non-compliances have been addressed.

NP7033DDE.NC7 – Adequately Addressed - NOP §205.304 (a)(1)(i) requires that packages described in §205.301(c) may display on the principal display panel the statement “Made with organic”. (b)(1) Agricultural products in packages described in §205.301(c) must in the ingredient statement, identify each organic ingredient with the word, “organic,” or with an asterisk or other reference mark. (c) Agricultural products in packages described in §205.301(c) must not display the USDA seal. *The processor on-site inspection found that the client had “Made with organic ingredients” on the principal display panel and had the USDA seal adjacent to the statement and the ingredient statement did not identify which items were organic. HOFA had approved the label; however, the product is produced as “organic” according to the product profile.* **Corrective Action:** HOFA required the processor to submit new labels and HOFA is determining compliance against the NOP Rule.

NP7033DDE.NC8 – Not Adequately Addressed - NOP §205.403(c)(1)(2) requires that the onsite inspection of an operation must verify the operation’s compliance or capability to comply with the Act and regulations in this part; that the information, including the organic production or handling system plan provided... accurately reflects the practices used or to be used by the applicant for certification or by the certified operation. *During the onsite inspections of the certified operations the inspector(s) did not verify all aspects of the organic system plans or the applicants’ compliance with the Act such as:*

- Did not verify the labels were accurate with the product produced;*
- Did not verify the product ingredients to determine 100% organic, organic, or made with organic;*
- Did not verify the inputs used, Nagarin – Magnesium Chloride from Seaweed- as being an input and not the main source of the soy milk for tofu;*
- Did not complete an audit trail at the time of inspection to determine if certified product was accurate;*
- Did not review cleaning or sanitizing aides to determine acceptability or the use of cotton filters used on the tofu; and*
- Did not initially identify the use of molasses and soil inoculants in the exit interview as potential non-compliances until prompted by the certifying agent.*

Corrective Action: HOFA determined that the oversights that occurred are an isolated incidence. However, HOFA feels the need to refresh the inspection process of all contracted employees. HOFA will



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be conducting an inspector training in the fall of 2007. HOFA needs to submit the training records and attendance of the inspectors who attend in order to complete the review process. HOFA intends to contain the problems identified during this on-site inspection to an isolated instance.